

## ARTICLE 5

### SECTION 2

#### AFDC LINKAGE

##### 1. GENERAL

This section describes the deprivation factors which link a child, including an unborn, to the AFDC category of the Medi-Cal program. For Medi-Cal purposes, AFDC linkage means a child is deprived of parental support or care because of death, incapacity, absence, or unemployment of the child's parent. It does not mean the child must be eligible to receive CalWORKs cash assistance. In addition, linkage to AFDC can exist if a deprived child is living with a relative, as defined in MPG Article 1, Section 1.

MEM 50205

##### 2. WHO IS EVALUATED

There is Federal Financial Participation (FFP) in the Medi-Cal costs of AFDC-linked individuals. Adults who do not meet FFP criteria are ineligible to Medi-Cal so it is important to review for AFDC linkage.

###### A. Parents

The parent(s) of an AFDC-linked child are also linked to AFDC if living in the home of the child.

###### B. Caretaker Relative

If there is no parent in the home, the child's caretaker relative may be linked to AFDC. See MPG Article 8, Section 5 for MFBU composition requirements.

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###### C. Unmarried Child as a Parent

A parent or caretaker relative of an unmarried child under 21 who receives AFDC because of his/her own child, is linked to AFDC if the deprivation criteria for the unmarried child-parent is met. The child would be considered an ineligible member of the parent's or caretaker's MFBU.

MEM 50205

###### D. Other Family Members

All family members living in the home, including PA or Other PA recipients, will be considered in determining whether AFDC linkage exists with the following two exceptions:

- 1) Children voluntarily excluded from the MFBU due to separate income or property in accordance with MPG Article 8, Section 1.

- 2) Children who are ineligible for Medi-Cal.

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EXCEPTION: Infants or children who are counted as ineligible members of regular Medi-Cal MFBUs because they receive benefits through the special 100%, 133%, or 200% programs can provide linkage to AFDC linked Medi-Cal.

3. DEPRIVATION

AFDC linkage exists if all the conditions of any one of the following four deprivation factors are met:

MEM 50205

- A. Deceased parent.
- B. Physically or mentally incapacitated parent.
- C. Absent parent.
- D. Unemployed parent.

If the child meets all of the conditions of more than one area, the eligibility determination will usually be based on the deprivation area that is expected to last the longest since less monitoring activity is required of the worker. The following explains each of the four deprivation categories. See Appendix 5-2-A for a deprivation flow chart desk aid.

4. DECEASED PARENT

Deprivation exists when at least one parent is deceased. The applicant's statement on the statement of facts that the parent is deceased only requires further verification if there is conflicting information that indicates he/she was alive after the date of death given by the applicant. Conflicting information would include an earlier statement of facts or sworn statement indicating a different date, correspondence from the deceased parent, etc.

MEM  
Proc. 5C

A. Verification

Verification of death includes:

- 1) A copy of the death certificate.
- 2) An award letter from the Social Security Administration based on the death of the parent.
- 3) A newspaper account of the parent's death.
- 4) A memorial folder from the funeral service.

Verification of death is required only when the worker has reason to believe that the parent may not be deceased.

B. Persons Linked

When deprivation because of the death of a parent is established, the following persons are linked:

- 1) The child(ren) of the deceased parent;
- 2) The parent who lives with the deprived child(ren); or
- 3) If both parents are deceased, the caretaker relative may be linked. See Article 8, Section 5 for linkage requirements.

5. PHYSICAL OR MENTAL INCAPACITY OF A PARENT

MEM 50211

Deprivation exists when at least one parent is incapacitated. Incapacity can be either a physical or a mental impairment that prevents the parent from supporting or caring for the child.

A. Qualifying Impairments

The impairment must last at least 30 days and either substantially reduce or eliminate the parent's ability to support or care for the child, or cause one of the following to occur:

- 1) The mental or physical problem prevents the parent from working in his/her present position and from working in any other position or occupation of which he/she has knowledge or could learn by on-the-job training.
- 2) Employers refuse to hire the parent due to behavioral or other disorders which would interfere in their obtaining employment or with their employment performance.
- 3) The disorder prevents the parent from accomplishing the same tasks as other employees, thus preventing them from earning the same wage.
- 4) The parent has either qualified for or is employed in a position which is considered rehabilitative or therapeutic. The parent also may work in a sheltered workshop as long as it is not full time.
- 5) The blind or disabled parent meets the definition of disability in Title II or Title XVI, Social Security Act.
- 6) Pregnancy is not, in and of itself, considered an incapacitating condition. As with all other incapacity determinations a statement from the physician is required. Pregnant women should not be routinely referred for an evaluation of incapacity based solely on their pregnancy. However, if there are complications, the applicant/recipient may wish to apply as an incapacitated parent.

MEM 50223

B. Verification

Verification of incapacity includes:

- 1) Proof of SDI benefits, Old Age Survivor Disability Insurance (OASDI), Worker's Compensation, or Supplementary Security Income/State Supplementary Payment (SSI/SSP) based upon the parent's disability or blindness.
- 2) A current Medical Report, Form MC 61, or a written statement from a physician, licensed or certified psychologist, or authorized member of his/her staff with access to the parent's medical records which documents that incapacity exists and gives the expected duration of the condition.

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C. Persons Linked

When deprivation due to incapacity is established, the following persons are linked:

- 1) The child(ren) of the incapacitated parent.
- 2) The incapacitated parent.
- 3) The second parent in the home.
- 4) The spouse of the incapacitated parent.

6. ABSENT PARENT

Deprivation exists when there is continued absence of one or both parents from the home and there is an interruption or marked reduction in family or marital ties. This means that continued absence does not exist if one or both parents is on vacation, seeking employment away from the home, or is away from home for other similar reasons. These would be considered temporary absences.

MEM 50213

A. Continued Absence Qualifications

Continued absence constitutes deprivation if the absence:

- 1) Interrupts, terminates, or prevents the parent's functioning as the provider of maintenance, physical care, or guidance for the children; and
- 2) Is of a duration which prevents counting on the parent's performance in planning for the present support or care of the children.

B. Verification

The parent's statement on the statement of facts that the other parent is absent is sufficient unless the worker has conflicting information. In the case of conflicting information, a written statement from the parent in the home must be supported by at least one of the following:

- 1) Written statements from the absent parent or other persons with prior knowledge of the family relationship; or

2) The actions of the applicant/beneficiary or the absent parent clearly indicate:

- a) Physical absence of the other parent; and
- b) Interruption of or marked reduction in marital and family responsibilities; or

3) Other evidence that substantiates continued absence.

C. Persons Linked

When deprivation due to continued absence is established, the following persons are linked.

- 1) The child(ren) of the absent parent.
- 2) The parent in the home. If the parent in the home is married and the spouse also has children from a prior union, the following persons will be linked to AFDC:
  - a) The child(ren) of each parent other than mutual child(ren).
  - b) Both parents.

D. Special Absence Situations

1) Joint Custody of Children

Joint custody exists when parents share physical custody of a child for alternating time periods. Joint custody can result from a court order or a voluntary agreement between the parents. Each case situation where joint custody exists will be evaluated individually. The eligibility determination will be documented in the case narrative.

The parent who has custody and control the majority of the time will be considered the responsible parent. When parents share joint equal physical custody of their common child(ren), deprivation exists based on absence. Either parent, but not both, may apply for Medi-Cal and be linked to the child during any one month.

If both parents apply for Medi-Cal for the child, the child shall be included in the MFBU with the parent who:

- a) Is designated in a court order as the primary parent for purposes of public assistance, or
- b) Is eligible for Medi-Cal, or
- c) Is designated through mutual agreement of both parents as the primary parent for purposes of public assistance, or

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d) First applied for Medi-Cal on behalf of the child.

The responsible parent of a child may change when the situation demonstrates that care and control have transferred to the other parent. In these situations, the child will be discontinued from the MFBU of the first parent. When the new parent requests Medi-Cal, the child will not be granted in the new MFBU before the first of the month following the discontinuance from the first parent's MFBU.

When the responsible parent in the MFBU changes, the new parent may not be added until the first of the month after the other parent was discontinued.

Example:

The MFBU consists of a non ABD parent and child. The child is with the mother January through June. On June 3rd the mother reports that on June 20th the child will be moving in with the father for the period of July through December. Since the mother has no other linkage the case would close effective June 30th. The father applies for Medi-Cal on June 25th. The first month in which the father is eligible is July.

2) Adoptive Parents

Once a child has been adopted the natural parent(s) are no longer financially responsible for that child. Deprivation is to be established based on the status of the adoptive parents as they are by law the child's parents. This includes the situation where the child returns to the home of the natural parents.

Example:

After being adopted, a child returns to the home of the natural parent(s). Deprivation would be based on the absence of the adoptive parent(s). The natural parent(s) would only be considered if they are to be included in the MFBU or are voluntarily providing income.

3) Military Service Connected Absence

Absence from the home due to a parent's military assignment does not constitute continued absence for the purpose of determining deprivation. Military means the Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanographic and Atmospheric Administration and Public Health Service of the United States.

## 7. UNEMPLOYED PARENT

Deprivation occurs when one of the parents with whom the child lives is the principal wage earner, is unemployed, and meets all the following conditions.

MEM 50215

### A. Principal Wage Earner (PWE) Definition

The PWE is the parent who has earned the greater amount of income in the 24-month period immediately preceding either of the following:

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- 1) The month of application, reapplication or restoration.
- 2) The date of a redetermination that a family's circumstances have changed in such a way as to meet the requirements for deprivation due to the unemployment of a parent.

If both parents earned identical amounts (or no income) in the last 24 months, either parent can be the PWE. The worker, in consultation with the parents, will designate which parent is the PWE. Once this determination is made, this parent continues to be the PWE until there is a break in eligibility. The parent's statement on the Statement of Facts supplemental form MC 210 S-W is acceptable. No further verification is required.

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### B. Unemployed Definition

The term unemployed means:

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- 1) Not working; or
- 2) Employed less than 100 hours per month; or
- 3) Employed on an intermittent basis more than 100 hours per month and the hours in excess of 100 hours are of a temporary nature. Temporary nature is shown if the parent was under the 100-hour standard for the 2 prior calendar months and is expected to be under the standard during the next month; or

If the family applies for Medi-Cal at the beginning of the month, the worker can look at the past history of the PWE. If the PWE has no work history in the past month and indicates he/she does not plan to work during the rest of the month, the family is considered meeting the U-parent deprivation requirement. If the PWE is currently working and it appears that he/she may work over 100 hours in the current month, the worker will request the individual to provide a written verification from his/her employer to indicate whether he/she will work more than 100 hours per month.

- 4) If the PWE is working over 100 hours per month, the family's **net nonexempt income** (see definitions in C and D below) must **not** be more than 100 percent of the FPL for that size family. For the Medically Needy (MN) Program this applies to both applicants and recipients. For the 1931(b) Program this applies to applicants only.

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C. Definition of Family Income for the U-Parent Test

- The **earned** income of all adult family members living in the home is to be counted in determining the U-parent income test. Do not count the unearned income.
- This includes the nonexempt earned income of all adults who are required to be in the Medi-Cal Family Budget Unit (MFBU).
- Include the income of all adult MFBU members regardless of whether they are eligible for Section 1931(b), the Medically Needy, Medically Indigent, or FPL Programs.
- **Do not count the earned income of children in the family for the U-parent test, but do count them in the MFBU size.**
- As stated above, ~~Sneed~~ rules do not apply.
- Earned income of a family member is not counted in the U-parent test when the income is from a family member who is not in the MFBU because he/she is receiving Public Assistance (PA) or other PA.
- Earned income of an unmarried father whose only child is an unborn or a step parent whose spouse is only requesting aid for his/her separate children.
- Family members who receive PA or other PA are not included in the family size when determining the FPL limit.
- Apportion non-fluctuating income according to the standard Medi-Cal method:
  - Multiply gross weekly income by 4.33
  - Multiply gross biweekly income by 2.167
- Fluctuating income is to be averaged over the time period appropriate for that period of fluctuation. For more details on the rules regarding fluctuating and non-fluctuating income, refer to MPG Article 10, Section 4. Occasional and infrequent overtime or other such fluctuations in income may not necessarily cause parents to lose their U-parent eligibility. Future anticipated earnings should be considered in these situations.

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D. Definition of Earned Income and Deductions for the U-Parent Test

Earned income for the purpose of the U-parent test includes income from employment, self-employment, State Disability Insurance (SDI) and Sawyer defined Temporary Worker's compensation.

ETs shall use the same earned income deductions that are allowed in applicable program; for example, Section 1931(b) applicants are allowed the \$90 work related expenses (WRE) deduction but not deductions that are solely applicable to the aged, blind or disabled (ABD). MN families are allowed the \$90 WRE or the \$65 + ½ rather than the \$90 WRE and other ABD deductions if there is an ABD family member with earned income.

MEM  
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Note: an exception to using the same deductions rule is when a Section 1931(b) recipient family has a change in circumstances and must be reevaluated for unemployment deprivation. Although the \$240 + ½ deduction is an allowed earned income deduction for these recipients, it is not allowable for the U-parent earned income test. Only applicant deductions are allowed.



E. Self-Employed

- 1) The self-employed parent is fully employed when working 100 hours or more per month and earns more than 100% of the federal poverty level. When determining the total hours of employment in addition to the regular hours associated with employment the worker should include time spent:

- Contracting for jobs
- Making a product to be sold
- Travel time to and from the job site.

- 2) Indicators of Self-Employment

(See MPG 10-5-10.)

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F. Verification

Verification of unemployment includes statements from employers about hours worked or current receipt of Unemployed Insurance Benefits (UIB).

G. Persons Linked

When deprivation on the basis of unemployment is established, the following persons are linked:

- 1) The child(ren) of the unemployed parent.
- 2) The unemployed parent.
- 3) The second parent of the deprived child(ren).

See Appendix 5-2-B for questions and answers on unemployed parent (U-parent) deprivation. See Appendix 5-2-C for U-Parent example scenarios.

8. CHANGES IN DEPRIVATION

When deprivation changes, AFDC linkage must be reevaluated. When the absent parent returns to the home or if the incapacitated parent becomes employable, connection to the labor force is determined from the date the client requests Medi-Cal to continue under unemployed parent deprivation. If there is no AFDC linkage, the worker must evaluate eligibility for other linkage factors.

Example:

The absent parent returns to the home. The worker must evaluate if either parent is incapacitated or unemployed according to the criteria required. If so, deprivation exists and AFDC-linked Medi-Cal continues. If not, evaluate the children for medically indigent linkage.

9. PERSONS AGE 21 OR OLDER

Persons age 21 or older are not considered public assistance recipients for purposes of Medi-Cal eligibility when they receive EA-UP benefits. In addition, adults in other non-federal AFDC cases may not be eligible to Medi-Cal.

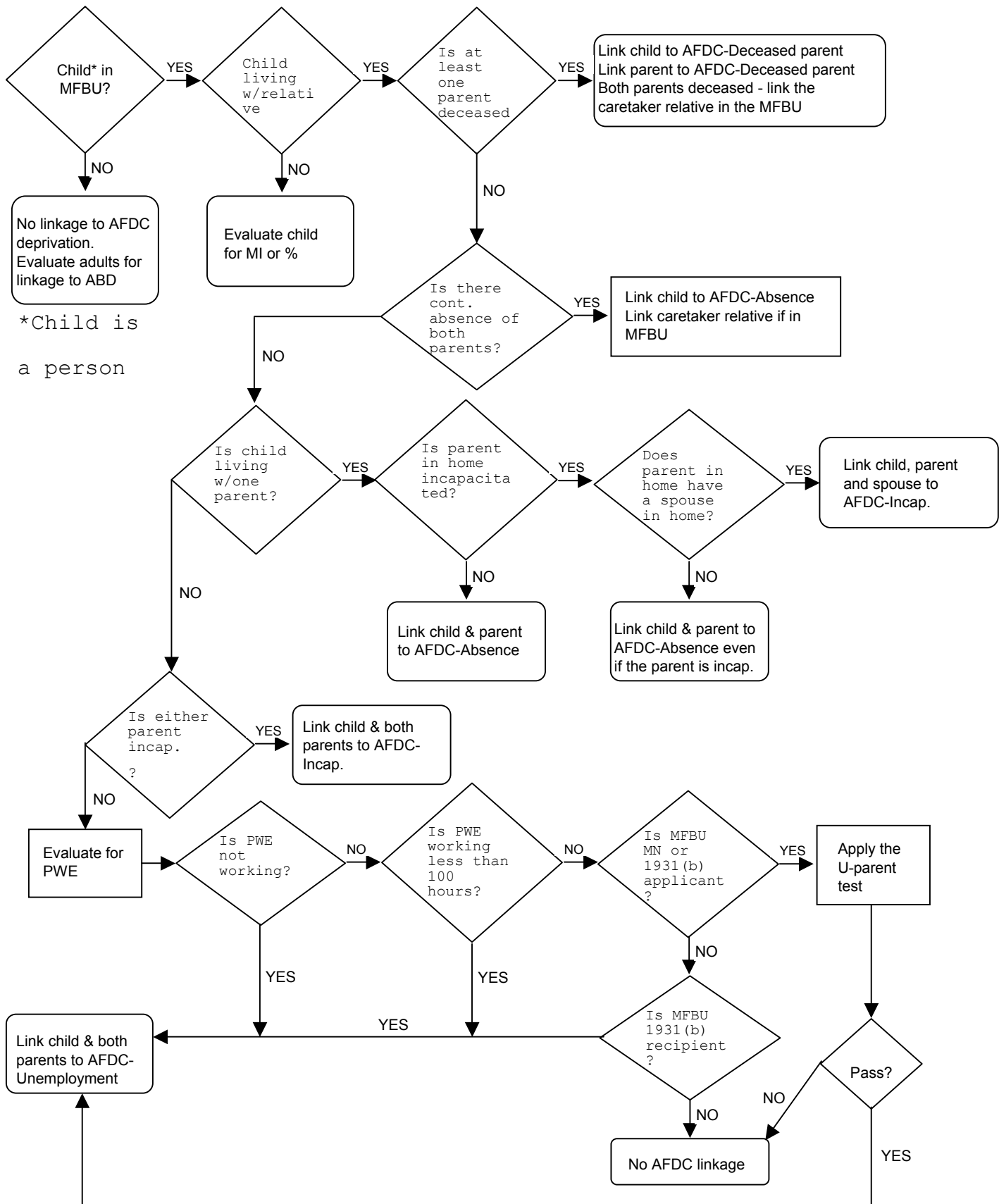
The following chart identifies which persons in non-federal AFDC cash assistance cases qualify for Medi-Cal.

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Non-Federal AFDC Cash/EA-UP  
Recipient Eligibility for Medi-Cal

Person's Characteristics		Medi-Cal Eligibility	
		Yes	No
Under 21		X	
Over 21 and pregnant		X	
In LTC		X	
Would meet MN or MI criteria ]	If Yes:	X	
if an application were made. ]	If No:		X

## DEPRIVATION FLOW CHART DESK AID



## QUESTIONS AND ANSWERS ON UNEMPLOYED-PARENT DEPRIVATION

### Question #1

Although a social security number (SSN) is not required for an undocumented alien requesting restricted benefits, a SSN is required to apply for unemployment insurance benefits (UIB). Must workers require undocumented aliens with a work history but no SSN to apply for UIB?

### Answer #1

No. All persons applying for or receiving Medi-Cal benefits must apply for UIB, unless the individual meets the exceptions to the requirements as specified in MPG 4-12-6.B. The exceptions include undocumented aliens applying for restricted benefits.

### Question #2

May the non-parent spouse of an unemployed parent (i.e., a stepparent to the parent's separate children) be linked to the Medi-Cal program if they have no mutual children?

### Answer #2

No. Only the children, the unemployed parent, and the second parent of the children are eligible.

### Question #3

The family was receiving Medi-Cal for three years due to the incapacity of the mother. The father worked during this time. The mother returned to work but the father became unemployed. Who is the PWE?

### Answer #3

The father. Per MPG 5-2-7.A, "the principal wage earner is the parent who has earned the greater amount of income in the 24 month period immediately preceding either of the following;

- (1) The month of application, reapplication or restoration.
- (2) The date of redetermination that a family's circumstances have changed in such a way as to meet the requirements for deprivation due to the unemployment of a parent.

### Question #4

The family received a CalWORKs cash grant based on unemployed parent. The father was determined to be the PWE. The family was discontinued from CalWORKs due to the mother's earnings. For Medi-Cal-only purposes, is the father still the PWE or is it now the mother?

Answer #4

The father continues to be the PWE unless there is a break in Medi-Cal benefits.

Question #5

May a parent be determined as the PWE if his/her only employment was in a country outside the United States?

Answer #5

Yes.

Question #6

Some self-employed PWEs may possibly control their hours by working less than 100 hours a month. Should we aid these individuals?

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Answer #6

Yes. There is nothing that precludes us from doing so.

Question #7

Are paid vacation and sick leave hours counted in determining hours?

Answer #7

Yes. Paid vacation and sick leave hours are counted in determining hours for U-parent deprivation.

Question #8

Can the PWE participate in a strike and still be aided under the U-parent deprivation?

Answer #8

Yes.

Question #9

Does the requirement that the PWE has not refused to apply for and accept any UIB to which he/she is entitled still apply to U-parent deprivation?

Question #9

This requirement no longer applies to the U-parent deprivation. **However, it is still a requirement that the person apply for unconditionally available income under Medi-Cal basic eligibility rules.** See Article 4, Section 12.

#### Question #10

Does the requirement that the U-parent has not quit/refused a job or employment-related training still apply to the U-parent deprivation determination?

#### Answer #10

No.

#### Question #11

What if an individual applies for Medi-Cal on the first day of the month, how would these cases be treated?

#### Answer #11

The ET can look at the past history of the PWE. If the PWE has no work history in the last month and indicates that he/she does not expect to work for the rest of the month, U-parent deprivation may be established. If the PWE has a work history of working over 100 hours a month in the past month and may do so in the current month, the ET will request verification that he/she will not exceed the 100-hour requirement (e.g., a written verification from his/her employer, etc.)

#### Question #12

The PWE in a MN recipient family is working 100 hours or more and is determined that he was still unemployed after the U-Parent Earned Income test. If his or his spouse's earned income goes up in the following month or if a family member leaves the home which would reduce the family size, is the U-Parent Earned Income test required to see if he is still unemployed?

#### Answer #12

Yes. MN recipients are not exempt from the 100 hour rule test and a change in earnings or family size may cause the PWE to fail the U-Parent Test.

#### Question #13

An unemployed father and his pregnant girlfriend also have a common child and the father has a separate child. The pregnant girlfriend is income eligible to the Section 1931(b) program. The other family members are eligible for the MN program. In month two the county redetermines Section 1931(b) for the other family members and the family is income eligible; however, the father began working over 100 hours. Is the U-Parent Test required or is the father now considered a recipient of Section 1931(b)?

#### Answer #13

Since he has already been determined as the PWE and there is no change in circumstances or break in aid, he can be considered a Section 1931(b) recipient when the family is recombined and no U-Parent Test is required.

## U-PARENT SCENARIOS

In the examples below, < > indicates the person is an ineligible member of the MFBU.

**Example 1**

## U-Parent Income Test

Mom		\$ 0
Dad (PWE working over 100 hours)	-	\$1,200 (net nonexempt earned income)
Mutual 10-year old		N/A
Mutual 19-year-old		<u>N/A</u>
Total family net nonexempt earnings =		\$ 1,200
U-Parent earned income limit (100%) for 4 =		\$ 1,471

Married Mom, Dad, the 19-year-old and 10-year-old apply for Medi-Cal. Dad is the PWE and is working over 100 hours. The parents have no other basis for linkage. The family passes the U-Parent test because their earned income is at or below the 100% limit and the PWE is considered unemployed. They are evaluated for the Section 1931 (b) Program using the existing property rules and the income limits of 100 percent of the FPL for applicants. The 19-year-old has \$300 in net nonexempt earnings and is ineligible for Section 1931(b) due to the age requirements; however, the other family members are eligible for Section 1931 (b). Note: If this family had unearned income, they may not pass the income test for Section 1931(b). They would then be evaluated for the MN Program. The 10-year-old would also be evaluated for the Percent Program, if the family had a share of cost (SOC) in the MN Program.

The 19-year-old is evaluated for the MN Program because he/she is not considered a child for Section 1931(b). If he/she had unearned income, he/she may have a SOC. We are assuming he/she is property eligible.

One month later, the 19-year old takes a job and his net nonexempt earned income increases to \$2000. The PWE continues to work over 100 hours.

Since the PWE in this family is eligible for Section 1931(b), the family would qualify as recipients and are exempt from the 100-hour rule and the U-Parent income limit test. Since there is an increase in the family's income, Section 1931(b) eligibility must be redetermined. The family members (including the 19-year-old) are all put back into the same Section 1931(b) MFBU and must still meet the Section 1931(b) unearned and earned net nonexempt income and property limits of that program. Sneede rules apply and the 19-year-old would be his own Mini Budget Unit (MBU) if the family were over the income limit.

If this family is no longer income eligible for Section 1931(b) and is not eligible for Transitional Medi-Cal (TMC) because the family did not receive CalWORKs or Section 1931(b) for three out of the last six months nor was the increase in earnings from the PWE or the caretaker relative, the family should be evaluated for the U-Parent earned income test as applicants for the MN Program. In this case, the parent's net nonexempt earned income is still under the 100% limit. The parents and the mutual 19-year-old child would be eligible under the MN Program with a SOC and the 10-year-old may be eligible for the Percent Program.

## U-PARENT SCENARIOS

**Example 2**

## U-Parent Income Test

Mom	\$ 0 earned income
Dad (PWE working over 100 hours)	\$ 1,000 (net nonexempt earned income)
Mutual 4-year old	<u>\$ N/A</u>
Total net nonexempt earned income	\$ 1,000
U-Parent earned income limit (100%) for 3 =	\$ 1,220

This married couple and child apply for Medi-Cal on April 1, 2001, and pass the U-Parent deprivation test. They are then evaluated for the Section 1931(b) Program.

Mom also has \$300 in unemployment insurance benefits (UIB) unearned income and the child has no income; therefore, the total family net nonexempt unearned and earned income is \$1,300. The family is income ineligible for the Section 1931(b) Program and must be evaluated for the MN Program. We will assume the family is property eligible for both programs. The MN limit for three is \$934; therefore, the parents have a SOC. The four-year-old is eligible for the 133 Percent Program.

Two months later, Mom begins working and receives net nonexempt earnings of \$400 per month. Since the U-Parent income test applies to recipients of the MN Program and the family's net nonexempt earnings are now \$1,400, which is over 100% U-Parent limit for three, Mom and Dad are no longer eligible as parents of a deprived child. The child is still eligible for the 133 Percent Program.

**Example 3**

## U-Parent Income Test

Mom	\$ 300 (net nonexempt earned income)
Dad (PWE)	\$ 1,500 (net nonexempt earned income)
Mom's separate child	\$ N/A
Mutual child	\$ 0
Total net earned income	<u>\$ 1,800</u>
U-Parent earned income limit (100%) for 4 =	\$ 1,471

This unmarried couple, their mutual child (age 5), and Mom's separate child (age 19) apply for Medi-Cal. Dad is working over 100 hours and family is over the U-Parent income limit. Dad and the mutual child are not eligible for the Section 1931(b) or the MN Programs due to lack of deprivation. They are not eligible for TMC because they have not received CalWORKs or Section 1931(b) for three of the last six months. Since Mom's separate child is age 19, Mom has no deprived "child" in the home as defined under the Section 1931(b) Program and is not eligible for Section 1931(b). Evaluate her and her separate child for the MN Program. Mom's separate child has \$300 from child support. Evaluate the mutual child for the MI or Percent Program. Dad is ineligible for any program because he has no other linkage and he is not a spouse and cannot qualify as an essential person.



# Appendix 5-2-C

## U-PARENT SCENARIOS

Mom has \$1,000 of net nonexempt unearned income. The total family unearned and earned income equals \$3,100. The maintenance need for the MN/MI Program for four persons is \$1,100. Sneede rules apply.

### MBU #1

Mom's total net nonexempt income	\$1,300
Less Parental Needs Deduction	<u>- 600</u>
Total Income	\$ 700
Allocation (Total ÷2)	\$ 350
Limit	\$ 600

### MBU #2

Mom's Separate Child	\$300
Allocation from Mom	<u>350</u>
Total	\$650
Limit	\$375

### MBU #3

<Dad's> total net nonexempt income	\$1,500
Less Parental Needs Deduction	<u>- 600</u>
Income to be Allocated ÷1	\$ 900
Limit	\$ 600

### MBU #4

Mutual Child	\$ 0
Allocation from Mom	350
Allocation from Dad	<u>900</u>
Total income	\$ 1,250
Limit	\$ 312

Mom is eligible for the MN Program with no SOC as a parent of a deprived child (age 21 for this program). Mom's separate child is also eligible with a SOC of \$275. Dad is not eligible for any Medi-Cal Program. The mutual child has a SOC of \$938 under the MI Program. Evaluate the mutual child for the 133 Percent Program. Only the income of the mutual child and his/her parents are counted.

Mom's total income	\$1,300
Dad's total income	\$1,500
Child's total income	\$ 0
Mom's separate child	<u>N/A</u>
Total	\$2,800
Limit for 4 (133%)	\$1,957

Mutual child is not eligible for the 133 Percent Program. He/she would have a \$938 SOC in the MI Program.

Two months later, Mom and her separate child stop working. Redetermine the U-Parent earned income deprivation income test. Since the PWE is still working over 100 hours and the family is not a recipient of the Section 1931(b) Program, the U-Parent income test is required. The net nonexempt earned income of Dad is \$1,000, which is under the 100% limit for 4.

### U-Parent Income Test

Dad's earned income	\$ 1,000
Mom's earned income	\$ 0
Mom's child " "	\$ N/A
Mutual child " "	<u>\$ N/A</u>
Total	\$ 1,000
U-Parent earned income limit (100%) for 4 =	\$ 1,471

Appendix 5-2-C  
U-PARENT SCENARIOS

Reevaluate family for the Section 1931(b) Program as applicants.

Section 1931(b)

Mom's total income	\$ 1,000
Dad's total income	\$ 1,000
<Mom's separate child>	\$ 0
Mutual child	\$ <u>0</u>
Total	\$ 2,000
Section 1931(b) limit (4)	\$ 1,471

Mom, Dad, and the mutual child are not eligible for Section 1931(b). ~~Sneed~~ rules would then again apply.

Section 1931(b) MBU #1

Mom's net nonexempt income	\$ 1,000
Less Parental Needs	<u>- 716</u>
Total	\$ 284
Allocation (Total ÷ 2)	\$ 142

Mom's Income	\$ 716
<Mom's separate child>	\$ <u>142</u> from Mom
Total	\$ 858
Limit for 2	\$ 938

Section 1931(b) MBU #2

Dad's net nonexempt income	\$ 1,000
Less Parental Needs	<u>- 716</u>
Total	\$ 284
Allocation (Total ÷ 1)	\$ 284

Dad's Income	\$ 716
Total	\$ <u>716</u>
Limit for 1	\$ 716

MBU #3

Mutual Child	\$284 from Dad
	<u>\$142</u> from Mom
Total	\$426
Limit	\$407

Dad and Mom are financially eligible for the Section 1931(b) Program. The parents are eligible for Section 1931(b) because they have deprived children with zero SOC as determined in the next step. The 19-year-old separate child and the mutual child should be evaluated for the MN Program.

MN MFBU

Mom's separate child	\$ 0
Mutual child	<u>0</u>
Limit	\$750

Since neither child has income, they are eligible with no SOC. In the second month, the entire family should be redetermined as recipients using the recipient deductions.

Appendix 5-2-C  
U-PARENT SCENARIOS

**Example 4**

Married couple and their children apply for Medi-Cal. They have one mutual four-year-old child and each have one separate child under age 18. Dad is determined to be the PWE and he is working under 100 hours. No applicant U-Parent earned income test is required. Mom has \$725 net nonexempt income and Dad has \$1,000 net nonexempt income. The children have no income. We will assume that the family is property eligible. Evaluate for Section 1931(b).

Mom	\$ 725 net nonexempt income
Dad	\$ 1,000 net nonexempt income
Mutual Child	0
Dad's Separate Child	0
Mom's Separate Child	<u>0</u>
Total	\$ 1,725
Section 1931(b) Limit	\$ 1,723

The family fails to qualify for Section 1931(b). Sneede rules apply since this is a stepparent household.

Mom's Net Income	\$725	Dad's Net Income	\$ 1,000
Mom's Parental Needs	<u>-716</u>	Dad's Parental Needs	<u>-716</u>
Total	\$ 9	Total	\$ 284
Allocation (Total ÷ 3)	\$ 3	Allocation (Total ÷ 3)	\$ 94.60

MBU #1		MBU #2		MBU #3	
Mom	\$716 + \$94.60	Mom's Child	\$ 3	Dad's Child	\$94.60
Mutual Child	\$ 3 + \$94.60	Total	<u>\$ 3</u>	Total	<u>\$94.60</u>
Dad	<u>\$716 + \$3</u>	Limit	\$484	Limit	\$484
Total	\$1,627.20				
Limit (3)	\$1,220				

Mom, Dad, and the mutual child in MBU #1 are not eligible. They must be evaluated for the MN Program. Both Mom's and Dad's separate children are eligible for Section 1931(b).

**MN Program Determination**

Mom	\$ 725 minus \$3 (allocation to Section 1931(b) eligible child)
Dad	\$1,000 minus \$94.60 (allocation to Section 1931(b) eligible child)
Mutual Child	<u>\$ 0</u>
Total	\$1,627.40
MN Limit	\$ 934

## Appendix 5-2-C

### U-PARENT SCENARIOS

Mom, Dad and mutual child have a share of cost of \$693.40. Evaluate mutual child for the 133 Percent Program. Only the income of the mutual child and his/her parents are counted (although in this example the other children have no income).

Mom	\$ 725
Dad	\$1,000
Mutual Child	0
Dad's Separate Child	N/A
Mom's Separate Child	<u>N/A</u>
Total	\$1,725
133% Limit for 5 =	\$2,291

The mutual child is eligible for the 133 Percent Program.

In the next month, reevaluate the family as recipients of the Section 1931(b) Program because the parent's separate children were Section 1931(b) applicants in the first month. Assume Dad is still working under 100 hours and they all pass using the \$240 + 1/2 deduction.

Five months later, Dad takes a full time job and is now working over 100 hours. Since all are recipients of the Section 1931(b) Program, the U-Parent income test is not required to determine whether unemployment linkage still exists. Dad's earnings from employment increase to \$3,000 per month. Assume the family fails to pass the Section 1931(b) income limit. The family is eligible for TMC.

#### Example 5

Unmarried Mom, Dad, their mutual eight-month-old child, and Mom's separate child (age four) apply for Medi-Cal. Dad is incapacitated. Mom works part time and has \$1,400 net nonexempt income. Dad has \$500 net nonexempt income. The children have no income.

#### Section 1931(b) Determination

Mom's net nonexempt earned income	\$ 1,400
Dad's net nonexempt unearned income	\$ 500
Mutual child	\$ 0
Mom's child	<u>\$ 0</u>
Total income	\$1,900
Section 1931(b) limit for 4	\$1,471

Since the family is above the Section 1931(b) income limit and the couple is not married, Sneede rules apply. We will assume they are property eligible.

Mom's income	\$ 1,400	Mom's Separate Child	\$ 0	Dad's income	\$500
Parental needs	<u>- 716</u>	Allocation from Mom	<u>\$342</u>	Parental Needs	<u>- 716</u>
Total	\$ 684	Total	\$342	Allocation	0
Allocation (Total ÷ 2) =	\$ 342				
Mutual Child's income	\$ 0				
Allocation from Mom	\$342				
Allocation from Dad	<u>\$ 0</u>				
Total	\$342				

# Appendix 5-2-C

## U-PARENT SCENARIOS

MBU #1		MBU #2		MBU #3	
Mom	\$ 684	Mutual Child	\$342	Dad	\$500
Mutual Child	<u>\$ 342</u>	Total	<u>\$342</u>	Total	<u>\$500</u>
Total	\$1,026	Limit	\$407	Limit	\$716
Limit	\$ 968				

Mom and her separate child fail to pass Section 1931(b). They should be evaluated for the MN Program. The mutual child and Dad pass Section 1931(b).

### MN Program

Mom	\$1,400 - \$342 (Allocation used for eligible Section 1931(b) Mutual Child)
Separate Child	<u>0</u>
Total	\$1,058
Limit for 2	\$ 968
SOC	\$ 90

Mom has a SOC of \$90. Note: An unmarried parent may not deduct any income that was used to make the other parent eligible for Section 1931(b). Evaluate the separate child for the 133 Percent Program. Only the income of Mom and the separate child is used.

### 133 Percent Program

Mom	\$1,400
Dad	N/A
Separate child	0
Mutual child	<u>N/A</u>
Total	\$1,300
Limit for 4	\$1,957

Mom's separate child is eligible for the 133 Percent Program.

The next month, the family is reevaluated for the Section 1931(b) Program as recipients. Assume they all pass.

Five months later Mom takes a full time job with a net nonexempt earned income of \$2,000 and she is working over 100 hours. Dad is no longer incapacitated and has \$1,000 net nonexempt earned income. He no longer receives the \$500 unearned income. Mom is determined to be the PWE. Because the family has a change in circumstances that require that unemployment deprivation be established, the U-Parent income test applies.

Appendix 5-2-C  
U-PARENT SCENARIOS

U-Parent Test

Mom	\$2,000	net nonexempt earned income
Dad	\$1,000	net nonexempt earned income
Mom's Child	N/A	
Mutual Child	<u>N/A</u>	
Total	\$3,000	
Limit for 4	\$1,471	

The family fails the U-Parent test.

Mom still has deprivation because her separate child has an absent parent; however, Dad and the mutual child have no deprivation. Dad may not be an essential person because he is not married.

The family should be reevaluated for Section 1931(b) as recipients for income purposes. Dad and the mutual child are ineligible members of the MFBU. Assume Mom and her separate child are eligible for Section 1931(b) using the \$240 + 1/2 deduction. Dad has no linkage. He and the mutual child are eligible for TMC because they were terminated from Section 1931(b) due to increased hours of employment (loss of deprivation). If Mom and her child become ineligible for Section 1931(b) for increased earnings, they will be eligible for TMC.

Note: To be eligible for Section 1931(b), a parent must have at least one deprived child in a zero SOC Program.